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**COUNTY OF LOS ANGELES
FISH AND GAME COMMISSION**

<http://fishandgame.lacountycommissions.info/>

Kenneth Hahn Hall of Administration
500 West Temple Street, B-50, Los Angeles, CA 90012
(213) 974-1431 Fax (213) 633-5102
To enrich lives through effective and caring service

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

16 August 7, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

August 07, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**FISH AND GAME PROPAGATION FUND GRANT AWARD
(FOURTH SUPERVISORIAL DISTRICT)
(3 VOTES)**

SUBJECT

Recommending approval to award grant funds from the Fish and Game Commission to International Bird Rescue for their Aquatic Bird Rehabilitation Program (ABRP), which provides emergency care and rehabilitation to injured seabirds and aquatic birds, as well as, educational, research and planning experiences to interns.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the Fish and Game Propagation Fund Grant request in the amount of \$2,500 to International Bird Rescue to provide food, medicine and medical supplies needed to render emergency care to injured seabirds and aquatic birds at its facilities.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Commission has determined that the grant request will promote education, conservation and the propagation of fish and game, thus benefiting the County of Los Angeles and the State of California.

At its meeting held on July 12, 2012, the Commission approved a grant request in the amount of \$2,500 to International Bird Rescue for their ABRP which provides emergency care and rehabilitation as well as food, medicine and medical supplies to injured seabirds and aquatic birds at its facilities.

The grant fund will help International Bird Rescue to offset the cost of rehabilitating animals affected by oil spill, act of nature, and/or human impact. Each day, International Bird Rescue centers receive

birds that are suffering from a host of problems that can include poisoning by botulism or domoic acid, injuries sustained from fishing hooks and line, acts of animal cruelty, and other acts of nature.

International Bird Rescue facilities are exclusively dedicated to the care of aquatic birds and their special needs. In precarious environmental times, and with continual urban sprawl, the human as well as natural impacts on seabirds and aquatic birds are not anticipated to diminish. Interceding by providing rescue and rehabilitative care to an animal that has been injured, compromised or become ill as a result of an unnatural impact is work that advances the propagation and protection of seabirds and aquatic birds along our coast and in our communities. Since its inception 41 years ago, International Bird Rescue has become a world leader in oiled wildlife response and wild aquatic bird rehabilitation. International Bird Rescue facilities care for approximately 5,000 injured and ill aquatic birds each year. Each bird that is rehabilitated and released to its native habitat is a critical and important element to the marine ecosystem and impacts on the species of birds that are treated can have broader reaching effects on the environment and the communities.

Since 1952, the Commission continues to support activities and projects that promote the best methods for the propagation and protection of fish and game in the State of California and Los Angeles County.

Implementation of Strategic Plan Goals

Providing funds for this program is consistent with the County's Strategic Plan Goals No. 1 & 3 (Operational Effectiveness & Integrated Services Delivery). In addition to advancing the propagation and protection of seabirds and aquatic birds along our coast and in our community; International Bird Rescue provides educational experiences by hosting interns from the United States and all over the world who spend three to six months working in the rehabilitation clinics to learn the management and care of seabirds and aquatic birds. Many go on to become members of the oil spill response team and others take knowledge and skills back to their communities to augment existing aquatic bird programs.

Strategic Asset Management Principles Compliance

N/A

FISCAL IMPACT/FINANCING

There is no impact on the General Fund. The approved expenditure will be charged to the Fish and Game Propagation Fund, which has sufficient funds to cover the cost.

The Los Angeles Fish and Game Propagation Fund is financed from a percentage of penalty assessments collected relating to fish and game code violations in Los Angeles County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Section 13100 of the Fish and Game Code establishes guidelines for the expenditure of fines levied for fish and game code violations. It includes enhancing fish and game activities including propagation, protection and restoration; supporting fish and wildlife projects; and furthering research and education in areas related to fish and wildlife.

ENVIRONMENTAL DOCUMENTATION

N/A

CONTRACTING PROCESS

N/A

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This Board action enhances the education, conservation and the propagation of fish and game, thus benefiting County of Los Angeles and the State of California.

CONCLUSION

N/A

Respectfully submitted,

A handwritten signature in dark ink, reading "John H. Hybarger". The signature is fluid and cursive, with the first name "John" and last name "Hybarger" clearly legible.

JOHN H. HYBARGER
Chairman

JHH:bf

Enclosures

c: Chief Executive Officer
Executive Officer, Board of Supervisors

LOS ANGELES COUNTY FISH AND GAME COMMISSION

GRANT APPLICATION TITLE PAGE

TITLE OF PROJECT/PROGRAM Aquatic Bird Rehabilitation ProgramNAME OF ORGANIZATION International Bird Rescue
[As it appears on (501) (c) (3) IRS Letter]ADDRESS 444 West Ocean Blvd., Suite 777CITY Long Beach STATE California ZIP CODE 90802TELEPHONE NUMBER 562-912-7055 FAX NUMBER 562-912-4769AMOUNT REQUESTED \$5,000.00BOARD CHAIRPERSON David WeeshoffEXECUTIVE DIRECTOR Paul KelwayCONTACT PERSON Erica EdwardsTITLE Development and Communications DirectorTELEPHONE NUMBER(S) 562-912-7055AUDITED TOTAL INCOME \$2,445,584.00 AUDITED TOTAL EXPENSES \$2,838,142.00FOR FISCAL YEAR BEGINNING 2011 AND ENDING 2012SIGNATURE OF BOARD CHAIRPERSON David Weeshoff DATE 6/12/12

Note to Applicant: Please complete this title page and attach all grant application materials prior to submission.

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minutes
6/28/12DISTRIBUTED
7-2-12

One Page Project Summary

Since 1971, International Bird Rescue (Bird Rescue) has been saving seabirds and other wild aquatic birds. Our Aquatic Bird Rehabilitation Program is at the core of all our programs and is the reason that Bird Rescue has achieved the distinction of being the lead organization in over 200 national and international oil spill responses.

Continuous hands-on work with seabirds and wild aquatic birds 365 days a year keeps us on the cutting edge of the best possible methods of care and treatment for the species most vulnerable in the event of an oil spill. Each day, our centers receive birds that are suffering from a host of problems that can include poisoning by botulism or domoic acid, injuries sustained from fishing hooks and line, acts of animal cruelty, and other acts of nature. We are the only rehabilitation facility exclusively dedicated to the care of aquatic birds and their special needs.

Bird Rescue often becomes the point of entry for the observation of a trend within a species or population of birds and we can quickly alert other agencies and organizations to an impact that requires immediate attention. Our organization has cared for over 140 different species of seabirds and aquatic birds including those that are endangered and threatened. Each bird that receives care in our facility is an integral component of the marine ecosystem and impacts on the species of birds we treat can have broader reaching effects on the environment and the communities we live in.

Background on Applicant's Organization

Purpose and goals:

International Bird Rescue's mission is to mitigate the human impacts on aquatic birds and other wildlife, worldwide. This is done through rehabilitation, emergency response, education, research and planning. 41 years ago, International Bird Rescue was formed by Alice Berkner, a nurse with passion and great vision after witnessing the aftermath of a tanker collision under Golden Gate Bridge. Thousands of birds died in that oil spill, but the journey of what was to become International Bird Rescue began in response to the effects of that disaster. From humble beginnings in Berkeley to two state-of-the-art facilities in Northern and Southern California, Bird Rescue has become a world leader in oiled wildlife response and wild aquatic bird rehabilitation. Our centers care for approximately 5,000 injured and ill wild aquatic birds each year.

Brief summary of current activities:

Response Attached.

Geographic area served:

Our facilities, as noted above, are strategically located that we may effectively serve the Northern and Southern Coasts of California. Our facility in San Pedro serves the Los Angeles area, while our Fairfield facility serves the San Francisco Bay Area communities.

Grant Application
Page 4

Major sources and dollar amounts of corporate, foundation and government support during current and past fiscal year:

2012

Contracts and Retainers	\$632,163.00
The P&G Company	\$250,000.00
Chevron Products Company	\$70,000.00
Tesoro Companies, Inc	\$10,000.00

2011

Contracts and Retainers	\$891,293.96
The P&G Company	\$250,000.00
Chevron Products Company	\$65,000.00
Jewish Community Federation	\$50,000.00
Christen C. and Ben H. Garrett Family Foundation	\$15,000.00
Princess Cruises Community Foundation	\$15,000.00
David A. Weeshoff	\$11,105.42
The Annenberg Foundation	\$10,000.00
Tesoro Companies, Inc.	\$10,000.00

History of all grants received from the Los Angeles County Fish and Game Commission:

NA

Project Information

Statement of justification of need:

During an oil spill, the costs to care for the animals affected by the spill are assumed by the party responsible for causing the spill. In day-to-day operations, or should an act of nature, such as an algal bloom or botulism outbreak occur, there is no responsible party. Few of the animals admitted on a daily basis come with someone to help offset the cost of their rehabilitation. Most arrive at our center because of a human impact. We must rely on public and corporate donations, foundation grants, symbolic adoptions and other gifts to provide the food, medicine, medical supplies and expertise to render necessary care. In the event of a large-scale emergency, resources can become taxed very quickly.

Statement of purpose and goals:

Answered Above

Action plan to meet objectives:

International Bird Rescue continues to develop our fundraising capabilities and corporate sponsorship programs each year. We see our work as integral to the communities in which we live and we strive to bring the stories of our avian patients to the public, that they may teach us all how to be better environmental stewards.

Statement of how the objectives advance the propagation and protection of fish and wildlife:

International Bird Rescue's work is as much about conservation as rehabilitation. Each animal that can be rehabilitated and released back to its native habitat is a critical and important element to the ecosystem. In precarious environmental times, and with continual urban sprawl, the human as well as natural impacts on seabirds and aquatic birds are not anticipated to diminish. Interceding by providing rescue and rehabilitative care to an animal that has been injured, compromised or become ill as a result of an unnatural impact is work that advances the propagation and protection of seabirds and aquatic birds along our coast and in our communities.

Project budget and timetable:

The 2012 Rehabilitation Program Budget is \$1,002,463

This applies to the calendar year beginning January 1, 2012 and ending December 31, 2012.

Sources of other support for project:

International Bird Rescue seeks funding from foundations, businesses and corporations, contracts and retainers from the petroleum industry (related to oil spills), symbolic adoptions and public support.

Current status of project:

Ongoing

Cash flow analysis of the expenditure of project funds:

Expenditure is directly related to the number and species of birds admitted to our hospitals. For example, a larger bird, such as a Pelican can consume 6-10 pounds of fish a day while rehabilitating. Fish costs have been as high as \$2.05/pound. During times of crisis we can find ourselves caring for hundreds of Pelicans at time.

Proposed method of evaluating results:

Every bird treated at International Bird Rescue is an opportunity to evolve our methods of care, and to learn more about the animal as well as the environment. Birds that are used to living on or in the water can develop problems simply from being in captivity over the course of their rehabilitation. Over the years, we have developed innovative caging and enclosures, therapy pools and treatment methods that have markedly improved the survival rates of these species and diminished the potential complications of captivity. The greater survival rates are a direct result of the experience gained over 41 years of dealing with seabirds and aquatic birds. The more we know about species-specific needs, the better able we are to help large populations of birds in the event of an emergency and return them to the wild.

Plans for funding on-going project (if applicable):

International Bird Rescue will continue seeking financial support from foundations, corporations and businesses, the public and fundraising events.

Progress reports (bi-yearly or upon completion, whichever occurs first):

As our work is ongoing, International Bird Rescue would be happy to submit a progress report upon expenditure of funds, or whenever deemed appropriate by the Los Angeles County Fish and Game Commission.

Please Attach the Following Supporting Documents:

- Description of Organizational Structure or Organizational Chart
- Copy of the Latest IRS Determination Letter of Tax Exempt Status under Section 501(c) (3)
- Most Recent Audited Financial Statement
- Most Recent IRS Form 990

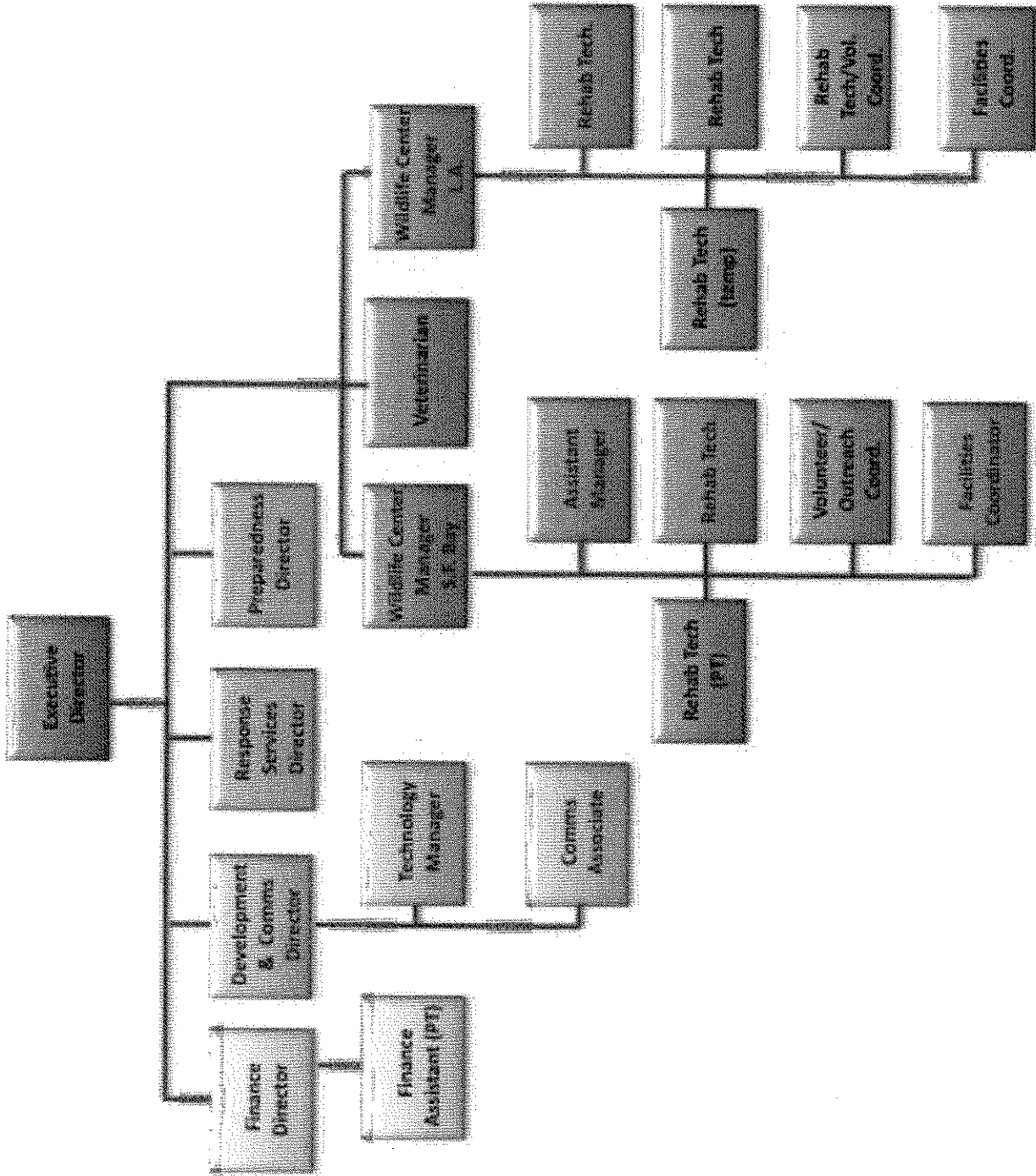


Summary of Current Activities

International Bird Rescue's Native Waterfowl Reintroduction Program was created to address how our organization can help mitigate the impact of wetland reduction on the hundreds of waterfowl species and other wildlife dependent on this crucial habitat. Each spring Bird Rescue receives large numbers (1,500 or more) of ducklings and goslings. Bird Rescue also acts as a clearinghouse for other wildlife rehabilitation facilities that bring us ducklings that can, typically, overwhelm their limited facilities to manage them. We evaluate their health and send them to partnering facilities to help raise them to a releasable age.

Our Blue Banded Pelican Program was initiated as a way to track the hundreds of pelicans that are admitted to our hospitals each year. While each bird is federally banded prior to its release, the band inscriptions are too small for the average person to see, even with binoculars or a spotting scope. The information that a band return provides for Bird Rescue is invaluable as we are able to tell where released birds migrate and their post-release survivability. Additionally, a pelican's band return is far less frequently reported than, for example, a mallard duck because of where and how it lives. Our released pelicans will have a small metal federal band as well as a larger blue band with easy-to-read numbers on it. We are engaging the public's assistance in helping us compile data from these birds by reporting Blue-Banded Pelicans to us.

In addition to our Aquatic Bird Rehabilitation Program, Bird Rescue provides educational experiences by hosting interns from the United States and all over the world who spend from three to six months working in our clinics to learn the management and care of seabirds and aquatic birds. Many go on to become members of our oil spill response team and others take the knowledge and skills back to their home countries or states to augment existing aquatic bird programs or develop them anew.





P.O. Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 4077550277
June 20, 2011 LTR 4168C 0
94-1739027 000000 00
00034571
BODC: TE

INTERNATIONAL BIRD RESCUE
444 W OCEAN BLVD STE 777
LONG BEACH CA 90802-4581



04484

Employer Identification Number: 94-1739027
Person to Contact: Ms Benjamin
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Apr. 18, 2011, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in September 1972.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(2).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

4077550277

June 20, 2011 LTR 4168C 0

94-1739027 000000 00

00034572

INTERNATIONAL BIRD RESCUE
444 W OCEAN BLVD STE 777
LONG BEACH CA 90802-4581

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

A handwritten signature in cursive script that reads "Cindy Thomas".

Cindy Thomas
Manager, EO Determinations

INTERNATIONAL BIRD RESCUE
(A NONPROFIT CORPORATION)

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS

December 31, 2011 and 2010

J. Scott Magliari & COMPANY

CERTIFIED PUBLIC ACCOUNTANT

SAIPAN

Family Building, Suite 201
PMB 297 Box 10000
Saipan, MP 96950
Tel Nos. (670) 233-1837/0456
Fax No. (670) 233-8214

GUAM

Reflection Center, Suite 204
P.O. Box 12734
Tamuning, GU 96931
Tel Nos. (671) 472-2680/2687
Fax No. (671) 472-2686

PALAU

PIDC Apartment No. 11
P.O. Box 1266
Koror, PW 96940
Tel No. (680) 488-8615
Fax No. (680) 488-8616

CALIFORNIA

1700 Soscol Ave
Suite 27
Napa, CA 94559
Tel Nos. (707) 254-1330
Fax No. (707) 258-6267

INDEPENDENT AUDITOR'S REPORT

Board of Directors
International Bird Rescue
(Formerly known as International Bird Rescue Research Center)

I have audited the accompanying statements of financial position of International Bird Rescue (formerly known as International Bird Rescue Research Center) as of December 31, 2011 and 2010 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of International Bird Rescue's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of International Bird Rescue's internal control over financial reporting. Accordingly, I express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Bird Rescue as of December 31, 2011 and 2010, and its changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

My audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying statements of functional expenses on pages 6 and 7 are presented for purposes of additional analysis, and are not required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

J. Scott Magliari & Company

Hagatna, Guam
February 17, 2012

INTERNATIONAL BIRD RESCUE
(Formerly known as International Bird Rescue Research Center)

Statements of Financial Position
December 31, 2011 and 2010

	<u>ASSETS</u>	<u>2011</u>	<u>2010</u>
Current assets:			
Cash (Notes 2 and 10)		\$ 621,187	\$ 33,350
Accounts receivable (Notes 2, 3, 10 and 14)		294,783	1,419,168
Prepaid expenses		41,633	21,723
Short-term investment (Notes 2 and 4)		-	10,484
Inventory (Note 2)		<u>12,393</u>	<u>16,755</u>
Total current assets		969,996	1,501,480
Property and equipment, net (Notes 2, 5 and 8)		116,801	58,455
Security deposits		<u>12,279</u>	<u>-</u>
Total Assets		<u>\$1,099,076</u>	<u>\$1,559,935</u>
<u>LIABILITIES AND NET ASSETS</u>			
Current liabilities:			
Accounts payable		\$ 32,622	\$ 80,918
Accrued expenses (Note 2)		97,750	59,941
Credit cards payable		13,968	240
Line of credit (Note 6)		-	70,000
Deferred revenues (Notes 2 and 7)		<u>37,199</u>	<u>38,741</u>
Total liabilities		<u>181,539</u>	<u>249,840</u>
Commitments and contingencies (Notes 8, 9 and 11)			
Net assets: (Note 2)			
Unrestricted (Note 14)		887,537	1,179,595
Temporarily restricted		<u>30,000</u>	<u>130,500</u>
Total net assets		<u>917,537</u>	<u>1,310,095</u>
Total Liabilities and Net Assets		<u>\$1,099,076</u>	<u>\$1,559,935</u>

See accompanying notes to financial statements.

INTERNATIONAL BIRD RESCUE
(Formerly known as International Bird Rescue Research Center)

Statement of Activities
For the Year Ended December 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support:				
Contributions (Notes 2 and 11)	\$ 492,562	\$ -	\$ -	\$ 492,562
In-kind contributions (Notes 2, 8, 9 and 11)	227,350	-	-	227,350
Grants (Notes 2, 3, 7, and 11)	-	80,000	-	80,000
Total support	<u>719,912</u>	<u>80,000</u>	<u>-</u>	<u>799,912</u>
Revenues:				
Program services (Notes 1, 2, 3, 7, 11 and 14)	1,627,038	-	-	1,627,038
Membership and dues (Notes 2 and 11)	-	-	-	-
Sale of merchandise (Note 2)	1,969	-	-	1,969
Investment income	1,783	-	-	1,783
Other	14,882	-	-	14,882
Total revenues	<u>1,645,672</u>	<u>-</u>	<u>-</u>	<u>1,645,672</u>
Total support and revenues	<u>2,365,584</u>	<u>80,000</u>	<u>-</u>	<u>2,445,584</u>
Operating expenses:				
Program services	2,194,611	150,500	-	2,345,111
Support services:				
Management and general	281,881	-	-	281,881
Development	181,150	30,000	-	211,150
Total operating expenses	<u>2,657,642</u>	<u>180,500</u>	<u>-</u>	<u>2,838,142</u>
Change in net assets	(292,058)	(100,500)	-	(392,558)
Net assets, beginning of year	<u>1,179,595</u>	<u>130,500</u>	<u>-</u>	<u>1,310,095</u>
Net assets, end of year	<u>\$ 887,537</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 917,537</u>

See accompanying notes to financial statements.

INTERNATIONAL BIRD RESCUE
(Formerly known as International Bird Rescue Research Center)

Statement of Activities
For the Year Ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support:				
Contributions (Notes 2 and 11)	\$ 926,398	\$ 30,500	\$ -	\$ 956,898
In-kind contributions (Notes 2, 8, 9 and 11)	216,000	-	-	216,000
Grants (Notes 2, 3, 7, and 11)	-	100,000	-	100,000
Total support	<u>1,142,398</u>	<u>130,500</u>	<u>-</u>	<u>1,272,898</u>
Revenues:				
Program services (Notes 1, 2, 3, 7 and 11)	3,878,170	-	-	3,878,170
Membership and dues (Notes 2 and 11)	31,963	-	-	31,963
Sale of merchandise, net (Note 2)	13,711	-	-	13,711
Other	5,126	-	-	5,126
Total revenues	<u>3,928,970</u>	<u>-</u>	<u>-</u>	<u>3,928,970</u>
Total support and revenues	<u>5,071,368</u>	<u>130,500</u>	<u>-</u>	<u>5,201,868</u>
Operating expenses:				
Program services	3,672,579	-	-	3,672,579
Support services:				
Management and general	290,302	-	-	290,302
Development	78,182	-	-	78,182
Total operating expenses	<u>4,041,063</u>	<u>-</u>	<u>-</u>	<u>4,041,063</u>
Change in net assets	1,030,305	130,500	-	1,160,805
Net assets, beginning of year (Note 14)	<u>149,290</u>	<u>-</u>	<u>-</u>	<u>149,290</u>
Net assets, end of year	<u>\$1,179,595</u>	<u>\$ 130,500</u>	<u>\$ -</u>	<u>\$1,310,095</u>

See accompanying notes to financial statements.

INTERNATIONAL BIRD RESCUE
(Formerly known as International Bird Rescue Research Center)

Statements of Cash Flows
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$ (392,558)	\$ 1,160,805
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	24,751	14,289
Investment and other non-operating income and expenses, net	(1,783)	-
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	1,124,385	(1,347,677)
Prepaid expenses	(19,910)	(21,723)
Inventory	4,362	(16,755)
Security deposits	(12,279)	-
Increase (decrease) in liabilities:		
Accounts payable	(48,296)	62,103
Accrued expenses	37,809	59,941
Credit cards payable	13,728	240
Deferred revenues	(1,542)	(23,890)
Net cash provided by (used in) operating activities	<u>728,667</u>	<u>(112,667)</u>
Cash flows from investing activities:		
(Purchase) of equipment	(83,097)	(1,553)
Proceeds from (purchase of) investments	12,240	(10,484)
Interest earned	27	-
Net cash used in investing activities	<u>(70,830)</u>	<u>(12,037)</u>
Cash flows from financing activities:		
Proceeds (repayment) of line of credit	(70,000)	70,000
Net cash provided by (used in) by financing activities	<u>(70,000)</u>	<u>70,000</u>
Net increase (decrease) in cash	587,837	(54,704)
Cash, beginning of year	<u>33,350</u>	<u>88,054</u>
Cash, end of year	<u>\$ 621,187</u>	<u>\$ 33,350</u>
Supplemental information:		
Interest paid	<u>\$ 539</u>	<u>\$ -</u>

See accompanying notes to financial statements.

INTERNATIONAL BIRD RESCUE
(Formerly known as International Bird Rescue Research Center)

Statements of Functional Expenses
For the Year Ended December 31, 2011
(With Comparative Totals for the Year Ended December 31, 2010)

2011

	Program Services	Supporting Services			2011 Total	2010 Total
		Management and General	Development	Support Total		
Expenses:						
Salaries, wages and payroll taxes	\$1,151,810	\$ 163,830	\$ 83,699	\$ 247,529	\$1,399,339	\$ 2,203,053
Rent	302,709	13,081	106	13,187	315,896	282,600
Spill response expenses	218,240	-	-	-	218,240	668,279
Utilities and communications	159,083	6,016	-	6,016	165,099	160,592
Employee benefits	107,428	15,484	11,702	27,186	134,614	164,953
Professional fees	11,599	49,628	57,584	107,212	118,811	170,312
Travel	86,435	10,800	3,577	14,377	100,812	64,421
Clinic food, water and rehabilitation costs	78,709	-	-	-	78,709	96,495
Clinic medical supplies	75,766	-	-	-	75,766	44,716
Repairs and maintenance	53,552	2,720	-	2,720	56,272	34,203
Insurance	39,195	4,518	1,176	5,694	44,889	35,106
Marketing	3,312	-	30,241	30,241	33,553	11,069
Depreciation	24,546	205	-	205	24,751	14,289
Recruitment	-	-	13,500	13,500	13,500	16,000
Spill response supplies	8,004	-	-	-	8,004	46,135
Vehicle expense	6,336	337	-	337	6,673	7,864
Other operating expenses and services	18,387	15,262	9,565	24,827	43,214	20,976
Total expenses	\$2,345,111	\$ 281,881	\$ 211,150	\$ 493,031	\$ 2,838,142	\$ 4,041,063

See accompanying notes to financial statements.

INTERNATIONAL BIRD RESCUE
(Formerly known as International Bird Rescue Research Center)

Statements of Functional Expenses
For the Year Ended December 31, 2011
(With Comparative Totals for the Year Ended December 31, 2010)

	2011			2010	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Personnel	\$1,249,339	\$ 150,000	\$ -	\$1,399,339	\$2,203,053
Rent	315,896	-	-	315,896	282,600
Spill response expenses	218,240	-	-	218,240	668,279
Utilities and communications	165,099	-	-	165,099	160,592
Employee benefits	134,614	-	-	134,614	164,953
Professional fees	88,811	30,000	-	118,811	170,312
Travel	100,812	-	-	100,812	64,421
Clinic food, water and rehabilitation costs	78,709	-	-	78,709	96,495
Clinic medical supplies	75,766	-	-	75,766	44,716
Repairs and maintenance	55,772	500	-	56,272	34,203
Insurance	44,889	-	-	44,889	35,106
Marketing	33,553	-	-	33,553	11,069
Depreciation	24,751	-	-	24,751	14,289
Recruitment	13,500	-	-	13,500	16,000
Spill response supplies	8,004	-	-	8,004	46,135
Vehicle expense	6,673	-	-	6,673	7,864
Other operating expenses and services	43,214	-	-	43,214	20,976
Total expenses	<u>\$2,657,642</u>	<u>\$ 180,500</u>	<u>\$ -</u>	<u>\$2,838,142</u>	<u>\$4,041,063</u>

See accompanying notes to financial statements.

INTERNATIONAL BIRD RESCUE
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Notes to Financial Statements
December 31, 2011 and 2010

(1) Nature of Organization

International Bird Rescue was incorporated in the State of California as a nonprofit corporation on April 20, 1971. On April 20, 2011 the name of the organization was changed from International Bird Rescue Research Center to International Bird Rescue (the Organization). International Bird Rescue was created for the purpose of providing emergency response resulting from oil spills and other human caused environmental disasters specifically related to rehabilitating aquatic birds and other wildlife injured in such disasters. To a lesser extent, the Organization is involved in rescue and medical rehabilitation of aquatic birds, research and training.

The Oiled Wildlife Care Network (OWCN) is a legislatively mandated program of the California Fish and Game, Office of Spill Prevention and Response and was established to ensure that wildlife exposed to petroleum products in the environment receive treatment by providing access to permanent wildlife rehabilitation facilities and trained personnel for spill response within the State of California. The Organization acts as the lead oiled bird response organization under oversight of the OWCN and responds to most of the oil spills that affect birds, reptiles, and fresh water aquatic animals in the State of California.

Additionally, the Organization maintains an Alaska operation funded primarily by retainers from oil and gas related entities.

(2) Summary of Significant Accounting Policies

A summary of International Bird Rescue's significant accounting policies in the preparation of the accompanying financial statements follows:

Method of Accounting

The financial statements have been prepared using the accrual basis of accounting in conformity with generally accepted accounting principles in the United States of America (GAAP). Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

INTERNATIONAL BIRD RESCUE
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Notes to Financial Statements
December 31, 2011 and 2010

(2) Summary of Significant Accounting Policies, Continued

Cash

For the purpose of the Statements of Financial Position and Cash Flows, the Organization considers cash and cash equivalents to be cash on hand and cash in checking and savings accounts. As of December 31, 2011 and 2010, the carrying amount of the Organization's cash and cash equivalents was \$653,848 and \$144,511, respectively. The Organization's checking and savings accounts were with a federally insured bank and are within insurable limits at December 31, 2011 and 2010.

Accounts Receivable

Accounts receivable arise in the normal course of business in providing program services. The organization provides an allowance for bad debts equal to the estimated uncollectable amounts. It is reasonably possible that the estimate for bad debts will change. Accounts receivable are presented net of an allowance for bad debts of \$0 at December 31, 2011 and 2010.

Investments

International Bird Rescue classifies its debt and marketable equity securities into held-to-maturity, trading, or available-for-use categories. Debt securities are classified as held-to-maturity when the Organization has positive intent and ability to hold the securities to maturity. Debt securities for which the Organization does not have intent to hold to maturity are classified as available for sale. Held-to-maturity securities are recorded as either short-term or long-term on the Statement of Financial Position based on contractual maturity date and are stated at amortized cost. Marketable securities that are acquired and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses recognized in earnings. Debt and marketable equity securities not classified as held-to-maturity or as trading are classified as available-for-sale and are carried at fair market value, with the unrealized gain and losses, net of tax, included in the determination of comprehensive revenue and reported in net assets.

The fair value of substantially all securities is determined by quoted market prices. The estimated fair value of securities for which there are no quoted market prices is based on similar types of securities that are traded in the market. Gains or losses on securities sold are based on the specific identification method.

For the year ended December 31, 2010, the Organization's investments consist only of marketable equity securities that are classified as trading and are reported as current assets. These investments were sold in 2011.

INTERNATIONAL BIRD RESCUE
(Formerly known as International Bird Rescue Research Center)

Notes to Financial Statements
December 31, 2011 and 2010

(2) Summary of Significant Accounting Policies, Continued

Property and Equipment

Property and equipment consists of office furniture and equipment, fixtures, vehicles and improvements and is stated at cost, net of accumulated depreciation. Donated vehicles are stated at their estimated or actual value at the time they were donated to the Organization, net of accumulated depreciation.

Expenditures for major additions and improvements are capitalized. Minor replacements, maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method based on estimated useful lives.

Donated Services, Materials and Equipment

Amounts are reported in the financial statements for voluntary donations of services that create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and would be typically purchased if not provided by donation. Donated services, materials and equipment are recorded at the fair value of the gift.

Inventory

Inventory consists of items for resale and are recorded at the lower of cost or market based on the first-in first-out method of costing.

Compensated Absences

Employees of International Bird Rescue are entitled to paid vacation of 6.66 hours per month during the first year of service, 10.00 hours per month from one to five years of service, 12.00 hours per month from six to nine years of service and 13.33 hours per month for ten or more years of service. The compensated absences accrual at December 31, 2011 and 2010 is \$39,906 and \$17,846, respectively, and is presented as a component of accrued expenses in the accompanying Statements of Financial Position.

Net Assets

Financial statements of nonprofit corporations are required to classify net assets, liabilities, revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. The three classes of net assets are ordinarily classified as unrestricted, temporarily restricted and permanently restricted.

INTERNATIONAL BIRD RESCUE
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Notes to Financial Statements
December 31, 2011 and 2010

(2) Summary of Significant Accounting Policies, Continued

Revenues

Revenues are derived from contracts and retainers with petroleum related companies, grants, the OWCN, dues and memberships and public support. Contracts and retainers are recognized over the period covered in the agreement, generally one year. All contributions are recognized as public support when received. Grants and amounts received from OWCN are recognized as revenue when used for that specific purpose. Dues, memberships and public support are recognized in full when received or unconditionally promised. Donations of property and equipment, rent and professional services are recorded at their fair market value at the time of receipt.

Contributions

FASB ASC Topic 958-605, *Not-for-Profit Entities - Revenue Recognition*, requires that contributions received are to be recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Under FASB ASC Topic 958 time restricted contributions are required to be reported as temporarily restricted support and are then reclassified to net assets upon expiration of the time restriction.

Membership and Dues

In 2011, International Bird Rescue ceased the collection and recording of revenue through dues and memberships.

Income Taxes

International Bird Rescue is a nonprofit corporation that is exempt from state and federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income tax has been provided in the accompanying financial statements. The Organization is required to report its financial position, financial activities and other information related to certain donors, officers and directors on annual informational returns with the Department of Treasury, Internal Revenue Service, and the states of California and Illinois.

INTERNATIONAL BIRD RESCUE
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Notes to Financial Statements
December 31, 2011 and 2010

(2) Summary of Significant Accounting Policies, Continued

Valuation of long-lived assets

International Bird Rescue reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the assets. The factors considered by management in performing the assessment include current operating results, trends, and prospects, as well as the effects of obsolescence, demand, competition and other economic factors.

To date, management has determined no such impairment exists.

Fair Value of Financial Instruments

The carrying amount reflected in the Statement of Financial Position for cash, accounts receivable, accounts payable, and deferred revenues approximate their respective fair values due to the short-term maturities of those instruments.

Fair Value Option for Financial Assets and Financial Liabilities

International Bird Rescue did not elect to record at fair value any of its financial instruments under the provision of FASB ASC Topic 825, *The Fair Value Option for Financial Assets and Financial Liabilities*, which permits but does not require to measure financial instruments and certain other items at fair value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

INTERNATIONAL BIRD RESCUE
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Notes to Financial Statements
December 31, 2011 and 2010

(2) Summary of Significant Accounting Policies, Continued

Recent Pronouncements

In January 2010, the FASB issued Update No. 2010-06 - *Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements*. This Update improves the fair value disclosure (Subtopic 820-10) originally issued as FASB Statement No. 157, *Fair Value Measurement*. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting beginning after December 15, 2009. The application of this provision does not have any material impact on the financial statements of the Organization.

In February 2010, the FASB issued Update No. 2010-09 - *Subsequent Events (Topic 855) Amendments to Certain Recognition and Disclosure Requirements*. This Update addresses both the interaction of the requirements of this Topic with the SEC's reporting requirements and the intended breadth of the reissuance disclosure provision related to subsequent events (paragraph 855-10-50-4). All of the amendments in this Update are effective upon issuance of the final Update, except for the use of the issued date for conduit debt obligors. That amendment is effective for interim or annual periods ending after June 15, 2010. The application of this provision does not have any material impact on the financial statements of the Organization.

INTERNATIONAL BIRD RESCUE
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Notes to Financial Statements
December 31, 2011 and 2010

(3) Accounts Receivable and Grants Receivable

Accounts Receivable

Accounts receivable consists primarily of amounts invoiced for contract retainers. No provision has been made for uncollectable accounts as, in the opinion of management, all accounts outstanding as of December 31, 2011 and 2010 are collectable.

Grants Receivable

Grants receivable consist of receivable from various donors. Changes in grants receivable as of December 31, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Grants receivable, beginning	\$ -	\$ -
Grants received in the current year	80,000	100,000
Collections made	<u>(80,000)</u>	<u>(100,000)</u>
Grants receivable, ending	<u>\$ -</u>	<u>\$ -</u>

(4) Investments

International Bird Rescue's investments are comprised of equity securities, all of which are classified as trading securities and are carried at their fair value based on the quoted market price of the securities at December 31, 2010. Net realized and unrealized gains and losses on trading securities are included in net income. For the purpose of determining realized gains and losses, the cost of securities sold is based on specific identification. At December 31, 2010, investments consist of 157 shares of one company at a cost and market value of \$67 per share and is classified as a current asset. The investment was sold in 2011. At December 31, 2011 and 2010, the cost of the investment approximates its market value as follow:

	<u>2011</u>	<u>2010</u>
Costs	\$ -	\$ 10,484
Unrealized gain (loss)	<u>-</u>	<u>-</u>
Market value	<u>\$ -</u>	<u>\$ 10,484</u>

INTERNATIONAL BIRD RESCUE
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Notes to Financial Statements
December 31, 2011 and 2010

(5) Property and Equipment

Property and equipment consists of the following:

	<u>Estimated Useful Lives</u>	<u>2011</u>	<u>2010</u>
Vehicles	5 years	\$ 61,512	\$ 61,512
Tanks and enclosures	20 years	56,464	56,464
Office equipment	5 years	11,553	10,553
Medical equipment	5 years	8,309	8,309
Furniture and fixtures	7 years	7,641	7,641
Leasehold improvements	7 years	<u>88,801</u>	<u>5,704</u>
		234,280	151,183
Accumulated depreciation		<u>(117,479)</u>	<u>(92,728)</u>
Property and equipment, net		<u>\$ 116,801</u>	<u>\$ 58,455</u>

Depreciation expense for the year ended December 31, 2011 and 2010 was \$24,751 and \$14,289, respectively.

(6) Line of credit

In July 2010, International Bird Rescue obtained a short-term line of credit from Wells Fargo Bank with a limit of \$100,000. Amounts drawn on the line of credit are unsecured, have no maturity date, and bears variable interest based on the highest daily prime lending rate posted in the Wall Street Journal. The interest rate was 3.25% per annum at December 31, 2010. As of December 31, 2011 and 2010, the Organization had \$0 and \$70,000, respectively, outstanding on the line of credit. The line of credit eligibility is reviewed annually by Wells Fargo Bank.

INTERNATIONAL BIRD RESCUE
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Notes to Financial Statements
December 31, 2011 and 2010

(7) Contract Retainers and Grant Revenue

Contract retainer revenue is derived primarily from oil and gas related entities and recognized on a monthly basis over the term of the agreement. Amounts received but not yet earned are recorded as deferred revenue.

Grants received are restricted in use to be used solely for supporting projects. The grants are classified as temporarily restricted in the Statement of Activities.

For the year ended December 31, 2010, the Organization received one grant in the amount of \$100,000 from the Jewish Community Endowment Fund of the Jewish Community Federation of San Francisco, the Peninsula, Marin and Sonoma Counties.

The following summarizes grant activity during the year ended December 31, 2011:

Jewish Community Federation Endowment Fund	\$ 50,000
Princess Cruises	15,000
C.B. Garrett Foundation	<u>15,000</u>
	<u>\$ 80,000</u>

INTERNATIONAL BIRD RESCUE
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Notes to Financial Statements
December 31, 2011 and 2010

(8) Donated Use of Operating Premises

International Bird Rescue conducts its operations provided at below market cost at two California locations, as discussed below.

Operations conducted at the San Pedro, California location are provided under a joint use and lease agreement with the Los Angeles Unified School District. The term of the lease is on a monthly basis and may be terminated by either party with a ninety day notice. The agreement specifies an annual rental payment of \$1. Management of the Organization estimates the fair rental market value of the premises to be \$108,000 per year based on comparable rents in the immediate area.

Operations conducted at the Fairfield, California location are situated on land recorded in the name of the Organization. The land was purchased in accordance with an agreement with the State of California, Department of Fish and Game, Oiled Wildlife Care Network program. Management asserts that the agreement stipulates that should the Organization cease to be the primary respondent for oiled wildlife, that the land and improvements made from program funding be returned to the State within ninety days. Management further asserts that the land cannot be sold, pledged, collateralized or encumbered. Due to the restrictions of use and transferability, the land is not capitalized as an asset of the Organization. The majority of the improvements on the property were paid from the Oiled Wildlife Care Network program. There is no rent assessed on the improvements. Management of the Organization estimates the fair rental market value of the premises to be \$108,000 per year based on comparable rents in the immediate area.

The Organization would be adversely affected should use of the San Pedro, California or Fairfield, California property at minimal or no rent discontinue.

INTERNATIONAL BIRD RESCUE
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Notes to Financial Statements
December 31, 2011 and 2010

(9) Commitments

As of December 31, 2011, International Bird Rescue conducted operations from two locations in California and one in Alaska.

Land and buildings for operations conducted at the San Pedro, California and Fairfield, California locations are provided at minimal or no rent and more fully discussed Note 8.

The Organization's operations in Anchorage, Alaska are conducted from premises under a lease agreement expiring September 30, 2012. The monthly amount of rent is \$6,000 per month through January 2011. The monthly rent for the period February 2011 to September 30, 2012 is \$6,240 per month.

In March 2011, the Organization entered into an office lease agreement in Long Beach, CA, to conduct corporate, administrative and marketing functions. The lease is for a term of two years at a cost of \$2,065 per month the first year and \$2,122 per month the second year. The lease is renewable for one additional two year period at renegotiated rates.

Future minimum lease payments are as follows:

2012	\$ 81,510
2013	<u>4,244</u>
	<u>\$ 85,754</u>

Rent expense presented in the Statement of Activities for the year ended December 31, 2011 and 2010 amounted to \$315,896 and \$282,600, of which \$216,000 in each year pertains to in-kind contribution for the premises rent for the two California locations.

(10) Concentration of Credit Risk

International Bird Rescue maintains its cash and cash equivalents in bank accounts that may, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes that the Organization is not exposed to any significant credit risk related to cash and cash equivalents. Concentration of credit risk with respect to accounts receivable is due to receivables being primarily due from oil and gas industry related entities in the State of Alaska and from spill response in other locations. At December 31, 2010, \$1,235,416 (87%) of accounts receivable was due from one customer. The receivable was subsequently collected in 2011.

INTERNATIONAL BIRD RESCUE
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Notes to Financial Statements
December 31, 2011 and 2010

(11) Economic Dependency and Contingencies

International Bird Rescue receives a substantial amount of its support from private sector donors and contracts as well as in-kind donations for certain premises where it conducts operations. A significant reduction in the level of this support, if this were to occur, would have an adverse effect on its programs and activities. For the years ended December 31, 2011 and 2010, the Organization received 30% in 2011 and 22% in 2010 of its support from private sector donors, memberships and dues, 67% in 2011 and 74% in 2010 of its support from retainer contracts and 10% in 2011 and 4% in 2010 of its support from in-kind contributions, most in the form of premises provided for operations.

In 2010, the Organization became one of the lead respondents pertaining to oiled birds and aquatic wildlife as a result of the Deepwater Horizon BP p.l.c. oil spill in the Gulf of Mexico. This substantially increased the activities of the Organization. BP was invoiced monthly at agreed upon daily rates, including costs. Money received from BP in connection with the clean-up was recorded as revenue in the month services are incurred and related costs expensed as accrued. For the year ended December 31, 2010, \$3,235,555 (62%) of the total support and revenue was generated from this contract. Work related to the Deepwater Horizon BP p.l.c. oil spill was completed in September 2010.

(12) Subsequent Events

International Bird Rescue evaluated subsequent events from December 31, 2011 through February 17, 2012, the date the financial statements were available to be issued. The Organization did not note any subsequent events requiring disclosure or adjustment to the accompanying financial statements.

(13) Other Matters

International Bird Rescue relies on volunteer support to conduct general support and program services. Such services are not recorded as in-kind donations as the volunteer services do not create or enhance financial assets and special skills are not required. Volunteer hours totaled 21,430 hours for 180 volunteers and 26,750 hours for 243 volunteers for the year ended December 31, 2011 and 2010, respectively.

(14) Reclassifications

Certain prior year amounts have been reclassified to conform with the December 31, 2011 presentation.